



Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

June 11, 2002

D. R. Lowes United States Gypsum Company 125 South Franklin Street Chicago, Illinois 60606-4678

Re:

Formal Approval of Form and Amount of Additional Reclamation Surety and Replacement Reclamation Contract, United States Gypsum Company, Jumbo Jensen Quarry, M/041/008, Sevier County, Utah

Dear Mr. Lowes:

On June 10, 2002, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of the additional reclamation surety and replacement Reclamation Contract for United States Gypsum Company's Jumbo Jensen Quarry. When the Division performed the standard five year review of the Jumbo Jensen Quarry, it was determined that the reclamation surety, escalated to year 2007 dollars, was \$372,300. U.S. Gypsum chose to post an additional \$107,800 reclamation surety in the form of a Letter of Credit ( issued by JP Morgan Chase Bank; which, when added to the existing \$264,500 reclamation surety ( issued by Chemical Bank, brought the total to the required updated amount.

The Division hereby grants its final approval of the additional reclamation surety and Reclamation Contract for the Jumbo Jensen Quarry. Copies of the signed and executed documents (Reclamation Contract and two LOC's w/amendments) are enclosed for your files.

Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

jb
Enclosure
cc: Kyle Morris, US Gypsum- Sigrid Office, w/Encl
O:\M041-Sevier\M041008-Jumbo Jensen\final\5-year-bond-apv.doc

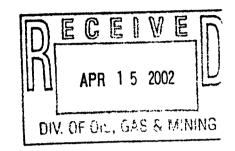


FORM MR-RC Revised April 4, 2001 RECLAMATION CONTRACT

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION of OIL, GAS and MINING

1594 West North Temple Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5291

Fax: (801) 359-3940



#### **RECLAMATION CONTRACT**

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For the purpose of this RECLAMATION CONTRACT the terms below are defined

as follows:	
"NOTICE OF INTENTION" (NOI): (File No.) (Mineral Mined)	M/041/008 Gypsum
"MINE LOCATION": (Name of Mine) (Description)	Jumbo Jensen Quarry Located on Highway 24, Sigurd, Utah
"DISTURBED AREA": (Disturbed Acres) (Legal Description)	155.6 (refer to Attachment "A")
"OPERATOR": (Company or Name) (Address)	United States Gypsum Company 125 South Franklin Street Chicago, Illinois 60606-4678
(Phone)	(312) 606-4000

"OPERATOR'S REGISTERED AGENT": (Name) (Address)	c/o CT Corporation System 50 West Broadway
(Phone)	Salt Lake City, Utah 84101
"OPERATOR'S OFFICER(S)":	"see attached list"
"SURETY": (Form of Surety - Attachment B)	Letter of Credit
"SURETY COMPANY": (Name, Policy or Acct. No.)	Chemical Bank, JP Morgan Chase Bank LOC # LOC #
"SURETY AMOUNT": (Escalated Dollars)	\$264,500 and \$107,800
"ESCALATION YEAR":	2007
"STATE": "DIVISION":	State of Utah Division of Oil, Gas and Mining
"BOARD":	Board of Oil, Gas and Mining
ATTACHMENTS: A "DISTURBED AREA": B "SURETY":	
This Reclamation Contract (hereinafter r	referred to as "Contract") is entered into

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between <u>United States Gypsum Company</u> the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No.  $\underline{\text{M}/041/008}$  which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

#### NOW, THEREFORE, the Division and the Operator agree as follows:

- 1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated September 14, 1987, and the original Reclamation Plan dated September 14, 1987. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
- 2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
- Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
- 4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
- 5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
- 6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

- request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.
- 7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
- 8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
- 9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
- 10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
- 11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
- 12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
- 13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
- 14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:	
United States Gypsum Company Operator Name	<u>-</u>
By D. R. LOWES	
Authorized Officer (Typed or Printed)	
VICE PRESIDENT AND TREASURER	
Authorized Officer - Position	
D. R. Lung	
Officer's Signature	Date
STATE OF	
STATE OF	
07#	
On the	y sworn did say that he/she is the RESUL COMPANY and duly and for said company by authority and said D. R. WWES
Sue E- Hodson  Notary Public 968 Chapel Court South  Residing at Glen Ellyn, FL 60137	,
Residing at <u>Slen Edyn</u> , <u>FL 60137</u> 2/26/05	SUE E HODSON NOTARY PUBLIC, STATE OF ILLINOIS MY COMMISSION EXPINES:02/20/05
My Commission Expires:	AMMAN CARE TO COMMON COMMENT

Page <u>5</u> of <u>7</u> Revised April 4, 2001 Form MR-RC **DIVISION OF OIL, GAS AND MINING:** 

By Journal & Brusho  Lowell P. Braxton, Director	June 10, 2002
ESTIGNT: BIGARON, BIROSON	Date
STATE OF Utah	_) ) ss:
COUNTY OF <u>Salt Lake</u>	_)
On the 10 day of Jone personally appeared before me, who being du	_, 2002 <u>Lowell P. Braxton</u> ulv sworn did sav that he <i>listre</i> , the said
Anwell P. Braxton is the Dire Mining, Department of Natural Resources, Stated to me that het she executed the foregoing the State of Utah.	ector of the Division of Oil, Gas and ate of Utah, and he <i>t</i> she duly acknowl-
NOTARY PUBLIC VICTORIA A. BAILEY 1594 W. N. Temple #1210 Salt Lake City, UT 84116 My Commission Expires February 29, 2004 STATE OF UTAH	Notary Public Residing at: Sact Lake City

#### ATTACHMENT "A"

United States Gypsum Company	Jumbo Jensen Q	uarry
Operator	Mine Name	
M/041/008	Sevier	County, Utah
Permit Number		
Include 1/4, 1/4, 1/4 sections, townships, ranges and any disturbed lands are located. Attach a topographic map of or larger scale is preferred) showing township, range and boundaries tied to this Reclamation Contract and surety.  The detailed legal description of lands	f suitable scale (max. 1 inch = I sections and a clear outline o	= 500 feet; 1 inch = 200 feet of the disturbed area
following lands not to exceed $\underline{155.6}$ surety, as reflected on the attached map and dated $\underline{\text{May 1, 1993}}$	acres under the a	approved permit and
The disturbed areas are located in To	wnship 22 South, Ran	ge 1 West, SLBM
Section 15, SE/4, E/2 SW/4, S/	2 N/2, portions of N	/2 N/2
Section 14, E/2 NW/4, SW/4, W/	2 SE/4, SW/4 NE/4	
Section 22, N/2 NE/4, NW/4 NW/	4	
Section 23, N/2 NW/4, N/2 NE/4		
as described in the U.S	S. Gypsum map titled	
"Mining & Reclamation Pla	an as of May 1st, 199	93"
received by the Division of Oi	l, Gas and Mining on	May 12, 1993*

\*Prepared by DOGM 6/1/93

#### SURETY ESTIMATE UPDATE

U.S. Gypsum Company

Jumbo-Jensen Quarry M/041/008

Sevier County

Prepared by Utah Division of Oil, Gas & Mining

Last Update DATE

Feb. 19 2002

19-Feb-02

#### DESCRIPTION:

- -Previous reclamation surety estimate was \$264,500 in year 1998 dollars
- -Reclamation Estimate base amount calculated in 1993-\$
- -This update adjusts the surety amount for escalation only.

#### This estimate based on the 1988 Reclamation Plan Summary

- This estimate does not include any reclamation of the plant site
- -The reclamation plan includes haul roads & mines quarries.
- -Waste material will be regraded into the mine quarries.
- -Soil material will be placed on the waste material and ripped
- -The regraded mine quarries will be seeded & fertilized.
- -Haul roads that do not have a post mining use will be reclaimed
- -Haul roads will be ripped, regraded and covered with soil material
- -The regraded roads will be seeded and fertilized
- -Assume 20% of the total reclaimed area will need to be reseeded
- Mine area acreage (measured from map dated 5/12/93)

122.3 acres

-Haul road acreage (measured from map dated 5/12/93)

33.3 acres

The operator has requested that the total acreage remain at 153 6 acres to allow for expansion

-Escalation factors through 2000 are actual Means Historical Cost Indices

-Total disturbed area =

155 6 ACRES

CALCULATIONS		ESCAL	BOND
F = P(1 + i)**n	YR	FACTOR	AMOUNT
` '	1991	0.0127	\$0 00
	1992	0 0221	\$0 00
	1993	0.0261	\$246,455 00
	1994	0.0321	\$254,366 21
	1995	0 0193	\$259,275 47
F = Future Sum	1996	0 0242	\$265,549 94
P = Present Sum	1997	0 0236	\$271,816.92
i = Escalation Factor	1998	0.0502	\$285,462 13
n = number of periods	1999	0.0200	\$291,171 37
	2000	0.0312	\$300,255.92
Three Yr Average = 3.12%	2001	0.0312	\$309,623.90
Used to Project 7 Yrs	2002	0.0312	\$319,284.17
From the Year 2000	2003	0 0312	\$329,245.83
	2004	0.0312	\$339,518.30
	2005	0.0312	\$350,111.27
	2006	0.0312	\$361,034.75
	. 2007	0 0312	\$372,299 03
Updated Surety Amount Round	ed (2007-\$)		\$372,300.00
** Average cost per acre =		\$/ACRE)	

<sup>\*\*</sup> Average cost per acre =

\$2,393 (\$/ACRE)

\*\*\*\*\*\*\*\*\*\* DIRECT \*\*\*\*\*\*\*

- APPLICANT:
USG CORPORATION DIP
O/B/F\_UNITED STATES GYPSUM COMPANY 125 SOUTH FRANKLIN ST CHICAGO, IL 60606

Beneficiary

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISON OF OIL, GAS AND MINING (SEE BELOW FOR COMPLETE ADDRESS) AMOUNT: USD 107,800.00 (ONE HUNDRED SEVEN THOUSAND EIGHT HUNDRED AND 00/100 UNITED STATES DOLLARS)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING
355 W. NORTH TEMPLE
3 TRIAD CENTER, #350
SALT LAKE CITY, UT 84180-1203

WE HEREBY ESTABLISH THIS LETTER OF CREDIT IN YOUR FAVOR, FOR AN AGGREGATE AMOUNT NOT TO EXCEED USD 107,800.00 (ONE HUNDRED SEVEN THOUSAND EIGHT HUNDRED UNITED STATES DOLLARS AND NO/100)

EXPIRING AT JPMORGAN CHASE BANK C/O JPMORGAN TREASURY SERVICES, TAMPA, FLORIDA WITH OUR CLOSE OF OUR BUSINESS DAY ON MARCH 15, 2003.

AVAILABLE BY YOUR DRAFTS AT SIGHT DRAWN ON , JPMORGAN CHASE BANK BEARING THE CLAUGE: "TO AWN UNDER JPMORGAN CHASE BANK LETTER OF CREDIT NUMBER

YOUR DRAFTS MUST BE ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

BENEFICIARY'S DATED STATEMENT PURPORTEDLY SIGNED BY ONE OF ITS OFFICIALS READING: "THE AMOUNT OF THIS DRAWING USD...... UNDER JPMORGAN CHASE BANK LETTER OF CREDIT NUMBER P-223387 REPRESENTS FUNDS DUE US AS UNITED STATES GYPSUM COMPANY HAS NOT PERFORMED AND FULFILLED ALL REQUIREMENTS UNDER THE UTAH MINED LAND RECLAMATION ACT UTAH CODE ANNOTATED, 40-8-1 AS AMENDED UNDER WHICH PERMIT NO. ACT/041/008 HAS BEEN ISSUED."

IT IS A CONDITION OF THIS IRREVOCABLE LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL PERIODS OF ONE YEAR FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 90 DAYS PRIOR TO SUCH DATE WE SEND YOU NOTICE IN WRITING BY REGISTERED MAIL, OR COURIER AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR SUCH ADDITONAL PERIOD. ANY SUCH NOTICE SHALL BE EFFECTIVE WHEN SENT BY US AND UPON SUCH NOTICE TO YOU, YOU MAY DRAW DRAFTS ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN APPLICABLE EXPIRY DATE.

CORRESPONDENCE AND ANY DRAWINGS HEREUNDER ARE TO BE DIRECTED TO JPMORGAN CHASE BANK C/O JPMORGAN TREASURY SERVICES, STANDBY LETTER OF

-CONTINUED-

P-223387- -001-L1-01-

1 — Authorized Signature

APPLICANT:
USG CORPORATION DIP
O/B/F UNITED STATES GYPSUM COMPANY
125 SOUTH FRANKLIN ST
CHICAGO, IL 60606

**Beneficiary** 

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISON OF OIL, GAS AND MINING
(SEE BELOW FOR COMPLETE ADDRESS)

AMOUNT: USD 107,800.00 (ONE HUNDRED SEVEN THOUSAND EIGHT HUNDRED AND 00/100 UNITED STATES DOLLARS)

CREDIT DEPT. 4TH FL. 10420 HIGHLAND MANOR DRIVE, TAMPA, FLORIDA 33610. CUSTOMER INQUIRY NUMBER IS 1-866-632-5101 AND CHOOSE OPTION NO. 3

WE ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED UPON DELIVERY OF SPECIFIED DOCUMENTS IF PRESENTED AT THIS OFFICE ON OR BEFORE THE PRESENT EXPIRATION DATE, OR ON OR BEFORE ANY AUTOMATICALLY EXTENDED EXPIRATION DATE.

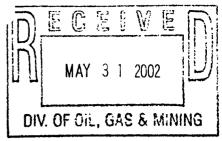
EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

2\_ Very Korle



DATE: MAY 30, 2002

UTAH DIVISION OF OIL, GAS AND MINING 1594 WEST NORTH TEMPLE SUITE 1210 BOX 1458011 SALT LAKE CITY, UT 84114-5801



m/041/008

RE: JP MORGAN CHASE BANK LETTER OF CREDIT NO. OR ACCOUNT OF: USG CORPORATION DIP, O/B/F UNITED STATES GYPSUM COMPANY, 125 SOUTH FRANKLIN ST., CHICAGO, IL 60606

#### DEAR SIRS:

THIS LETTER ACCOMPANIES THE LETTER OF CREDIT REFERENCE ABOVE AND IS FOR THE PURPOSE OF PROVIDING OUR REPRESENTATION THAT THE LETTER OF CREDIT WAS ISSUED IN CONFORMANCE WITH SOUND BANKING PRACTICES AND APPLICABLE LAWS AND REGULATIONS IN FORCE AND EFFECT AS OF THE DATE OF THE ISSUANCE OF THE LETTER OF CREDIT.

IN RELATION TO REGULATORY REQUIREMENTS OF THE UTAH DIVISION OF OIL, GAS AND MINING CONCERNING ("DIVISION") INCAPACITY OF FINANCIAL INSTITUTIONS PROVIDING FINANCIAL ASSURANCE, AND WITHOUT INCREASING, ALTERING OR OTHERWISE MODIFYING OUR OBLIGATIONS UNDER THE LETTER OF CREDIT, OR THE CONDITIONS TO DRAWING PROVIDED FOR THEREIN, WE, JPMORGAN CHASE BANK (THE "BANK"), AGREE THAT WE WILL GIVE A WRITTEN NOTICE TO THE DIVISION BY CERTIFIED MAIL, WITHIN TEN (10) BUSINESS DAYS AFTER: (A) ANY BANK OFFICER RESPONSIBLE FOR THE ADMINISTRATION OF THE LETTER OF CREDIT OBTAINS KNOWLEDGE THAT THE BANK HAS BEEN NAMED AS A PARTY IN ANY PUBLIC LEGAL ACTION OR PROCEEDING SEEKING IT BE DECLARED INSOLVENT AND/OR A RECEIVER BE APPOINTED BY ANY NEW YORK STATE OR FEDERAL REGULATORY AUTHORITY HAVING JURISDICTION IN THE MATTER TO SO REQUEST AND/OR (B) ANY BANK OFFICER RESPONSIBLE FOR THE ADMINISTRATION OF THE LETTER OF CREDIT OBTAINS KNOWLEDGE OF THE COMMENCEMENT, BY ANY NEW YORK STATE OR FEDERAL BANKING REGULATORY AUTHORITY OF COMPETENT JURISDICTION, OF ANY PUBLIC LEGAL ACTION OR PROCEEDING SEEKING SUSPENSION OR REVOCATION OF THE AUTHORITY OF THE BANK TO ISSUE LETTERS OF CREDIT OR TO CONDUCT THE BUSINESS OF BANKING. IF THE BANK IS UNABLE, BY REASON OF ANY ACTION BY ANY OF BANK'S REGULATORY AUTHORITIES, TO PROVIDE SUCH NOTICE TO THE DIVISION. THE BANK WILL PROMPTLY INFORM THE APPROPRIATE REGULATORY AUTHORITY OF THIS REQUIREMENT TO PROVIDE NOTICE. "BUSINESS DAY" MEANS ANY DAY ON WHICH COMMERCIAL BANKS ARE NOT AUTHORIZED OR REQUIRED TO CLOSE IN NEW YORK CITY.

JPMORGAN CHASE BANK IS LICENSED UNDER THE LAWS OF THE STATE OF NEW YORK TO CONDUCT THE BUSINESS OF BANKING, INCLUDING THE ISSUANCE OF LETTERS OF CREDIT.

I CERTIFY THAT THE INFORMATION CONTAINED IN THIS LETTER IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I CERTIFY THAT I AM LEGALLY AUTHORIZED AND EMPOWERED TO SIGN, DATE AND SUBMIT THIS INFORMATION ON BEHALF OF THE BANK NAMED HEREIN.

JPMORGAN CHASE BANK

NAME BARBARA TEAGUE

ASSISTANT VICE PRÉSIDEMT

nc/041/008

**Advising Bank** 

\*\*\*\*\*\*\*\*\*\* DIRECT \*\*\*\*\*\*\*\*\*\*

— APPLICANT:
USG CORPORATION DIP
D/B/F UNITED STATES GYPSUM COMPANY
125 SOUTH FRANKLIN ST
CHICAGO, IL 60606

Beneficiary

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
(SEE BELOW FOR COMPLETE ADDRESS)

DECENVE MAY 3 1 2002 DIV. OF OIL, GAS & MINING

IN ACCORDANCE WITH INSTRUCTIONS RECEIVED: THE ABOVE-REFERENCED LETTER OF CREDIT HAS BEEN AMENDED AS FOLLOWS

1 - BENEFICIARY'S NAME AND ADDRESS AFE CORRECTED TO READ AS INDICATED ABOVE

STATE OF UTAH DEPARTMENT OF MATURAL RESOURCES DIVISION OF OIL CAS AND MINING 1594 WEST TEMPLE SUITE 1210 SALT LAKE CITY, UTAH 84114-5851

THE TEXT OF THE LETTER OF CREDIT IS DELETED IN ITS ENTIRETY AND REPLACED WITH THE FOLLOWING.

GENTLEMEN AND LADIES.

- 1. UPMORGAN CHASE BANK ("GANK"), HEREBY ESTABLISHES THIS IRREVOCABLE LETTER OF CREDIT (THE "LETTER OF CREDIT") IN FAVOR OF THE UTAH DIVISION OF OIL, GAS, AND MINING ('DIVISION') FOR AN AGGREGATE AMOUNT NOT TO EXCEED ONE HUNDRED SEVEN THOUSAND EIGHT HUNDRED UNITED STATES DOLLARG "USD107,800 00") EFFECTIVE IMMEDIATELY
- THIS LETTER OF CREDIT WILL EXPIRE UPON THE FIRST EVENT SET FORTH AS FOLLOWS: (A) 5:00 O'CLOCK P.M. EASTERN TIME ON MARCH 15, 2003 OF (B) THE DATE UPON WHICH SUFFICIENT DOCUMENTS ARE EXECUTED BY THE DIVISION TO RELEASE UNITED STATES GYPSUM COMPANY ("OPERATOR") FROM FURTHER LIABILITY FOR RECLAMATION OF THE JUMBO JENSEN MINE ACT/041/008 WITH NOTICE TO BANK BY THE DIVISION ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT WITH DIRECTIONS FOR CANCELLATION.
- 3 THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED FOR SUCCESSIVE PERIODS OF ONE YEAR FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE UNLESS THE BANK GIVES NOTICE TO THE DIVISION 90 DAYS PRIOR TO THE EXPIRATION DATE THAT THE BANK ELECTS NOT TO RENEW THE LETTER OF CREDIT
- 4 FUNDS UNDER THE LETTER OF CREDIT ARE AVAILABLE

-CONTINUED-

1 Authorized Signature

\*\*\*\*\*\*\*\*\*\*\* DIRECT \*\*\*\*\*\*\*\*\*

APPLICANT:
USG CORPORATION DIP
O/B/F UNITED STATES GYPSUM COMPANY
125 SOUTH FRANKLIN ST
CHICAGO, IL 60606

**Beneficiary** 

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF DIL, GAS AND MINING
(SEE BELOW FOR COMPLETE ADDRESS)

AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING LETTER OF CREDIT NUMBER P-223387 DELIVERED TO THE OFFICE OF THE BANK, JPMORGAN TREASURY SERVICES, ATTN: STANDBY LETTER OF CREDIT DEPT. 4TH FL, 10427, HIGHLAND MANOR DRIVE, TAMPA, FLORIDA 33610 AT THE OTVISION'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. SACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B. SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE

5 IF THE BANK RECEIVES THE DIVISION'S SIGHT DRAFT(S) AND CERTIFICATE(S) AS PROVIDED IN PARAGRAPH NO. 4
ABOVE ON LA BEFORE THE EXPIRATION OR TERMINATION OF THIS LETTER OF CREDIT, THE BANK WILL MAKE SUCH AMOUNT AS THE DIVISION MAY SPECIFY, WITMIN THE LIMITS OF THE SECOND SENTENCE OF PARAGRAPH NO. 4 OF THIS LETTER OF CREDIT, AVAILABLE TO THE DIVISION NO LATER THAN THE CLOSE OF BUSINESS, EASTERN TIME, ON THE SECOND BUSINESS DAY FOLLOWING THE BANK'S RECEIPT OF THE SIGHT DRAFT AND CERTIFICATE AND IN SUCH A MANNER AS THE DIVISION MAY

6 THE LETTER OF CREDIT WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH AND SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT. 1993 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, AS THE SAME MAY BE AMEND AND IN EFFECT FROM TIME TO TIME ("UCP"). IN THE EVENT OF A CONFLICT BETWEEN UTAH LAW AND THE UCP, UTAH LAW SHALL GOVERN

7. ALL COMMUNICATION REGARDING THIS LETTER OF CREDIT WILL BE ADDRESS TO THE BANK JPMORGAN CHASE BANK C/O JPMORGAN TREASURY SERVICES, STANDBY LETTER OF CREDIT DEPT 4TH FL 10420 HIGHLAND MANOR DRIVE, TAMPA, FLORIDA 33&10 CUSTOMER INQUIRY NUMBER IS 1-866-632-5101 OPTION NO 3, REFERENCING LETTER OF CREDIT NUMBER P-223387

-CONTINUED-

P-223387- -002-A1-01-

BARBARA TEAGUE
ASSISTANT VICE PRESIDENT

\*\*\*\*\*\*\*\*\*\* DIRECT \*\*\*\*\*\*\*\*\*

— APPLICANT:
USG CORPORATION DIP
O/B/F UNITED STATES GYPSUM COMPANY
125 SOUTH FRANKLIN ST
CHICAGO, IL 60606

Beneficiary

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING (SEE BELOW FOR COMPLETE ADDRESS)

> EXHIBIT A - SIGHT DRAFT TO LETTER OF CREDIT NUMBER

DATE CITY, COUNTY LETTER OF CREDIT NO. PAY TO THE OPDER OF: UTAH DIVISION OF OIL, GAS AND

MINING OPDER OF: UTAH DIVISION OF OIL, GAS AND MINING

TO UPMORGAN CHASE BANK C/O UPMORGAN TREASURY SERVICES ATTN: STANDBY LETTER OF CREDIT DEPT., 4TH FLOOR 10420 HIGHLAND MANOR DRIVE TAMPA: FLORIDA 33610

> UTAH DIVISION OF DIL, GAS MINING 1594 WEST NORTH TEMPLE SUITE 1210 BOX 145801 SALT LAKE CITY, UTAH 84114-5801

BY: AUTHORIZED SIGNATURE

-CONTINUED-

P-223387- -002-A1-01-

- 3 Bf

\*\*\*\*\*\*\*\*\*\* DIRECT \*\*\*\*\*\*\*\*\*

APPLICANT:
USG CORPORATION DIP
0/B/F UNITED STATES GYPSUM COMPANY
125 SOUTH FRANKLIN ST CHICAGO, IL 60606

**Beneficiary** 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING (SEE BELOW FOR COMPLETE ADDRESS)

> EXHIBIT B LETTER OF CRIDIT I MUER.

A DULY AUTHORIZED FLARE-MENTATIVE OF THE MINING OFFICE OF THE MINING OFFICE OFF

THE UTAH DIVISION OF OIL, GAS AND MINING

AUTHORIZED BIGNATURE DATE .

ALL OTHER TERME AND CONDITIONS OF THE CREDIT REMAIN UNCHANGED

P-223387- -002-A1-01-

ASSISTANT VICE PRESIDENT

**//// UHEMICAL** 

Chemical Bank
Trade Services Group
P.O. Box 44, Church Street Station
New York, N.Y. 10008

Cable Address: Chemical New York

Advising Bank

I E DATE: MAY 25, 1993

Beneficiary

(SEE BELOW FOR BENEFICIARY'S FULL NAME AND ADDRESS)

APPLICANT:
USG INTERIORS, INC., ON BEHALF OF
UNITED STATES GYPSUM COMPANY
125 SOUTH FRANKLIN STREET
CHICAGO, IL 60606

AMOUNT: USD 264,500.00 (TWO HUNDRED SIXTY FOUR THOUSAND FIVE HUNDRED AND 00/100 UNITED STATES DOLLARS)

BENEFICIARY:
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING
355 W. NORTH TEMPLE
3 TRIAD CENTER, #356
SALT LAKE CITY, UT 84180-1203

L/C EXPIRATION DATE: MAY 25, 1994

L/C AMOUNT UP TO \$264,500.00 US DULLAR TWO HUNDRED SIXTY FOUR THOUSAND FIVE HUNDRED AMD 00/100

WE HEREBY ESTABLISH THIS LETTER OF CREDIT IN YOUR FAVOR AVAILABLE BY YOUR DRAFTS AT SIGHT DRAWN ON CHEMICAL BANK, 55 WATER STREET, ROOM 1708, 17TH FLOOR, NEW YORK, NEW YORK 10041, ATTENTION: STANDBY LETTER OF CREDIT DEPARTMENT, BEARING THE CLAUSE: "DRAWN UNDER CHEMICAL BANK LETTER OF CREDIT NUMBER T-212047 DATED MAY

YOUR DRAFTS MUST BE ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

BENEFICIARY'S DATED STATEMENT PURPORTEDLY SIGNED BY ONE OF ITS OFFICIALS READING: "THE AMOUNT OF THIS DRAWING USD." REPRÉSENTS UNDER CHEMICAL BANK LETTER OF CREDIT NUMBER T-212047 RÉPRÉSENTS FUNDS DUE US AS UNITED STATES GYPSUM COMPANY HAS NOT PERFORMED AND FULFILLED ALL REQUIREMENTS UNDER THE UTAH MINED LAND RECLAMATION ACT UTAH CODE ANNOTATED, 40-8-1 AS AMENDED UNDER WHICH FERMIT NO. ACT/041/008 HAS BÉEN ISSUED."

IT IS A CONDITION OF THIS IRREVOCABLE LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL PERIODS OF ONE YEAR FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 90 DAYS PRIOR TO SUCH DATE WE SEND YOU NOTICE IN WRITING BY REGISTERED MAIL, OR HAND DELIVERY AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR SUCH ADDITONAL PERIOD. ANY SUCH NOTICE SHALL BE EFFECTIVE WHEN SENT BY US AND UPON SUCH NOTICE SHALL BE DRAW DRAFTS ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN APPLICABLE EXPIRY DATE.

-CONTINUED-

Authorized Signature



Chemical Bank
Trade Services Group
P.O. Box 44, Church Street Station
New York, N.Y. 10008

Cable Address: Chemical New York

ISC 2 DATE: MAY 25. 1993 L/C NO.:

**Advising Bank** 

\*\*\*\*\*\*\*\*\*\* DIRECT \*\*\*\*\*\*\*\*\*

APPLICANT:
USG INTERIORS, INC., ON BEHALF OF
UNITED STATES GYPSUM COMPANY
125 SOUTH FRANKLIN STREET
CHICAGO, IL 60606

**Beneficiary** 

(SEE BELOW FOR BENEFICIARY'S FULL NAME AND ADDRESS)

AMOUNT: USD 264,500.00 (TWO HUNDRED SIXTY FOUR THOUSAND FIVE HUNDRED AND 00/100 UNITED STATES DOLLARS)

PLEASE DIRECT ALL CORRESPONDENCE IN CONNECTION WITH THIS LETTER OF CREDIT TO THE ATTENTION OF THE STANDBY LETTER OF CREDIT DEPARTMENT, 55 WATER STREET, 17TH FLOOP, ROOM 1708, NEW YORK, NEW YORK 10041 - CUSTOMER INQUIRY NUMBERS (217) 820-3473 AMD (217) 820-3321.

WE ENCAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED UPON DELIVERY OF SPECIFIED DOCUMENTS IF PRESENTED AT THIS OFFICE ON OR REFORE THE PRESENT EXPIRATION DATE, OR ON OR REFORE ANY AUTOMATICALLY EXTENDED EXPIRATION DATE.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 400.

Authorized Signature



AMENDMENT TO IRREVOCABLE LETTER OF CREDIT NUMBEF DATE: JUNE 17, 1993

BENEFICIARY: UTAH DIVISION OF OIL, GAS AND MINING 3 TRIAD CENTER, SUITE 350 SALT LAKE CITY, UTAH 84180-1203

**GENTLEMEN AND LADIES:** 

WE HEREBY AMEND OUR IRREVOCABLE LETTER OF CREDIT NUMBER IN ITS ENTIRETY TO READ AS FOLLOWS:

- 1. CHEMICAL BANK, OF NEW YORK, NEW YORK, HEREBY ESTABLISHES THIS IRREVOCABLE LETTER OF CREDIT (THE "LETTER OF CREDIT") IN FAVOR OF THE UTAH DIVISION OF OIL, GAS AND MINING ("DIVISION") FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$264,500.00 IN UNITED STATES DOLLARS ("FACE AMOUNT") EFFECTIVE IMMEDIATELY.
- 2. THIS LETTER OF CREDIT WILL EXPIRE UPON THE FIRST EVENT AS SET FORTH AS FOLLOWS: (A) 5:00 O'CLOCK P.M. (NEW YORK CITY TIME) ON MAY 25, 1994 OR (B) THE DATE UPON WHICH SUFFICIENT DOCUMENTS ARE EXECUTED BY THE DIVISION TO RELEASE USG INTERIORS, INC., ON BEHALF OF UNITED STATES GYPSUM COMPANY 125 SOUTH FRANKLIN STREET, CHICAGO, ILLINOIS 60606 ("OPERATOR") FROM FURTHER LIABILITY FOR RECLAMATION OF THE JUMBO JENSEN QUARRY, [MINE], M/041/008 [MINE PERMIT #] WITH NOTICE TO THE BANK BY THE DIVISION ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT WITH DIRECTIONS FOR CANCELLATION.
- 3. THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED FOR SUCCESSIVE PERIODS OF ONE YEAR FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE UNLESS THE BANK GIVES NOTICE TO THE DIVISION 90 DAYS PRIOR TO THE EXPIRATION DATE THAT THE SURETY ELECTS NOT TO RENEW THE LETTER OF CREDIT.
- 4. FUNDS UNDER THE LETTER OF CREDIT ARE AVAILABLE AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING LETTER OF CREDIT NUMBER T-212047 DELIVERED TO THE OFFICE OF THE BANK, 55 WATER STREET, 17TH FLOOR, ROOM 1708, NEW YORK, NEW YORK 10041 ATTENTION: STANDBY LETTER OF CREDIT DEPARTMENT. AT THE DIVISION'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. EACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B, SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE DIVISION.
- 5. IF THE BANK RECEIVES THE DIVISION'S SIGHT DRAFT(S) AND CERTIFICATE(S) AS PROVIDED IN PARAGRAPH NO. 4 ABOVE ON OR BEFORE THE EXPIRATION OR TERMINATION OF THIS LETTER OF CREDIT, THE BANK WILL MAKE SUCH AMOUNT AS THE DIVISION MAY SPECIFY, WITHIN THE LIMITS OF THE SECOND SENTENCE OF PARAGRAPH NO. 4 OF THIS LETTER OF CREDIT, AVAILABLE TO THE DIVISION NO LATER THAN THE CLOSE OF BUSINESS, NEW YORK CITY TIME, ON THE



CONTINUATION OF AMENDMENT TO IRREVOCABLE LETTER OF CREDIT NUMBER DATE: JUNE 17, 1993

SECOND BUSINESS DATE FOLLOWING THE BANK'S RECEIPT OF THE SIGHT DRAFT AND CERTIFICATE AND IN SUCH A MANNER AS THE DIVISION MAY SPECIFY.

6. THE LETTER OF CREDIT SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 1983 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 400, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME ("UCP").

7. ALL COMMUNICATIONS REGARDING THIS LETTER OF CREDIT WILL BE ADDRESSED TO THE BANK AT 55 WATER STREET, 17TH FLOOR, ROOM 1708, NEW YORK, NEW YORK 10041 ATTENTION: STANDBY LETTER OF CREDIT DEPARTMENT, REFERENCING LETTER OF CREDIT NO.

**VERY TRULY YOURS,** 

CHEMICAL BANK

BY: # QUE KRISTINE SIEBEL

ASSISTANT VICE PRESIDENT



## EXHIBIT A TO IRREVOCABLE LETTER OF CREDIT NUMBER

		EXHIBIT A - SIGHT DRA	AFT
		TO LETTER OF CREDIT N	JMBER
	DATE	CITY, COUNTY	LETTER OF CREDIT NO
PAY	TO THE ORDER OF: <u>U</u>	TAH DIVISION OF OIL, GA	S AND MINING
	· · · · · · · · · · · · · · · · · · ·		DOLLARS
то:	CHEMICAL BANK 55 WATER STREET 17TH FLOOR, ROON NEW YORK, NEW YORK ATTENTION: STAND		DEPARTMENT
		3 TRIAD CENTE	OF OIL, GAS AND MINING R, SUITE 350 Y, UTAH 84180-1203
		BY:AUTHORIZED SI	GNATURE



EXHIBIT B TO IRREVOCABLE LETTER OF CREDIT NUMBER

#### **EXHIBIT B**

### TO LETTER OF CREDIT NUMBER

ł,	A DULY AUTHORIZED REPRESENTATIVE OF INING, HEREBY CERTIFY THAT (1) THE
THE UTAH DIVISION OF OIL, GAS AND M	INING, HEREBY CERTIFY THAT (1) THE
DRAWING IN THE AMOUNT OF \$_	BY SIGHT DRAFT ACCOMPANYING
THIS CERTIFICATE, UNDER LETTER OF	CREDIT NUMBER DATED MAY 25. 1993
ISSUED BY YOU IS PERMITTED UNDER T	HE PROVISION OF THE LETTER OF CREDIT,
(2) THE LETTER OF CREDIT HAS NEITHE	R EXPIRED NOR TERMINATED PURSUANT TO
ITS TERMS, (3) THE AMOUNT OF THE SIG	SHT DRAFT, TOGETHER WITH ANY AMOUNTS
PREVIOUSLY DRAWN UNDER THE LETTE	R OF CREDIT, DOES NOT EXCEED THE FACE
AMOUNT, AND (4) THE UTAH BOARD OF	OIL, GAS AND MINING, AFTER NOTICE AND
<b>HEARING, HAS ENTERED AN ORDER WH</b>	ICH HAS NOT BEEN STAYED, ORDERING
FORFEITURE OF RECLAMATION CONTRA	ACT NUMBER IN
ACCORDANCE WITH APPLICABLE LAW. I	
UTILIZED IN FULL TO PAY EXPENSES RE	LATING TO THE RECLAMATION LIABILITY
FOR THE JUMBO JENSEN QUARRY, [MIN	IE], M/041/008 [MINE PERMIT #].
	-
THE	UTAH DIVISION OF OIL, GAS AND MINING
BY:_	
AUT	HORIZED SIGNATURE
	_
DAT	E: